

Principles of Accounting - ICOM Part 1 Principles of Accounting Chapter 8 Short Question Preparation

Q1. Differentiate between cash book and pass book.

Ans 1: Pas books is a copy of the depositor account in the bank ledger, which is provided to the depositor.

Ans 2: Cash book: A book in which all transactions involved are recorded is called book or cash journal.

Q2. Define Bank.

Ans 1: Bank is commercial institution, which receives the deposit from the public at lower rate on interest and lends to those, who need it, at higher rate of interest.

Q3. Define uncollected cheque.

Ans 1: All those cheque which are deposited in the bank by the customer but the bank has not credited the amount of those cheques to the customer account are called uncredited cheque, These cheque are also called collected cheque.

Q4. What is cross cheque?

Ans 1: When two parallel lines are drawn across the face of cheque it is said to be crossed cheque, A crossed cheque cannot be encashed at the counter but can be collected only by a bank from the "Drawee Bank" Crossing may be general or special.

Q5. Define three column cash book.

Ans 1: Cash book is a book originally entry in which all transactions relating to cash both receipts and payments are recorded chronologically date wise, A three column cash book is one in which there are three column on each side of debit and credit.

Q6. Define imprest system?

Ans 1: A system in which fixed sum of money is given to cashier to cover the petty expenses for the month is called imprest system.

Q7. What is discounting of bill?

Ans 1: When the holder of the bill is in need of money before the due date he may sell it to the bank or any third party at any time before its maturity.

Q8. Define single column cash book.

Ans 1: In single column cash book only cash received are recorded in debit side and cash payments are recorded on credit side the balance is cash in hand.

Q9. What is cheque book?

Ans 1: Cheque book is a small book issued the bank to it customers,It contain a number of blank cheques for,s.It is used to withdraw the amount from the bank by filling in these cheques.

Q10. What is an order cheque?

Ans 1: If a cheque is made payable to a certain person without the addition of the word bearer or order there to such cheque is known as order cheque.
